

Your Prescription Drug Coverage Options for 2019

This newsletter provides you with up-to-date information on your coverage through the retiree benefit program. It discusses the Medicare Prescription Drug Plan and how it compares with your USNH-provided prescription drug coverage.

Each year, you must decide whether it is necessary for you to enroll in Medicare Part D for prescription coverage. If you are close to, have reached, or expect to reach the lifetime maximum benefit with your USNH Medicare Complementary Plan (MCP) coverage in 2019, you may want to join a Medicare Prescription Drug Plan. Once

you exhaust the prescription benefit for your MCP, you will need to enroll in a Medicare Part D plan in order to have coverage for your prescriptions.

To help you decide, page 2 summarizes how your USNH prescription drug plan works and page 3 gives you some questions and answers about the Medicare prescription drug plan.

Page 4 provides plan updates, contact information, and an overview of the resources and tools available to retirees via www.usnh.edu/hr/retirees.html.



Important Notice from the University System of New Hampshire About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the University System of New Hampshire (USNH) and about your options under Medicare's Prescription Drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare Prescription Drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is located on page 3 of this notice.

There are two important things you need to know about your current coverage and Medicare's Prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Segal Consulting, contracted by USNH, has determined that the prescription drug coverage offered by USNH is, on average for all plan participants, expected to pay out as much as standard Medicare Prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare Drug Plan.

Factors to Consider as You Choose Your 2019 Prescription Drug Coverage

Prescription Drug Coverage for USNH Retirees

USNH retirees have several options when it comes to prescription drug coverage. First, retirees with the USNH Medicare Complementary Plan are eligible for USNH-provided prescription drug coverage up to a lifetime benefit maximum of \$30,000 per covered member. The USNH Medicare Complementary Plan pays 80% of covered prescription drug charges up to the plan's maximum lifetime prescription drug benefit of \$30,000.

In addition, for those of you who have reached or are close to reaching your \$30,000 lifetime maximum prescription benefit, a one-time transfer of up to \$5,000 is allowed from the additional \$10,000 major medical coverage at EBPA to your prescription account with OptumRx, providing you have the needed major medical funds available. If interested, contact Jan Rene at the USNH Benefits Office for more information (refer to page 4 for contact information).

Medicare-eligible individuals can also expect to receive mailings about Medicare Part D Prescription Drug Plans each year. These mailings come from the government and many of the drug plans and health organizations that have been approved by Medicare to provide Part D benefits. If you have exhausted or are close to exhausting your USNH prescription benefit under the Medicare Complementary Plan, you will want to consider enrolling in a Medicare Part D prescription drug plan during the upcoming annual enrollment period..

Your USNH Medicare Complementary Plan premium is currently fully paid by the University System. Plans and premiums are subject to change.

If You Enroll in the Medicare Prescription Drug Plan

You pay a monthly premium for coverage under a Medicare Part D plan. If you have limited income and resources, you may qualify for Extra Help, a Medicare program that assists people with limited income and resources pay Medicare prescription drug costs. To qualify for the Extra Help program, a person must be receiving Medicare, have limited resources and income, and reside in one of the 50 States or the District of Columbia. For details, contact Social Security at 1-800-772-1213 (TTY: 1-800-325-0778) or via their website at www.socialsecurity.gov/prescriptionhelp.

Please note: As long as you enroll in a Medicare Prescription Drug plan within 63 days of losing creditable coverage, you will not be subject to the late-entrant penalty/higher premium charge. If you have questions, you can always contact Medicare (see page 3). This penalty/higher premium charge does not apply to USNH retirees who have creditable coverage through the University System.

The lifetime maximum benefit for the prescription drug coverage offered through the USNH Medicare Complementary Plan is \$30,000. You also have the option to extend this limit by up to \$5,000 if you have the funds available to transfer from the additional \$10,000 major medical coverage offered through the MCP with EBPA. If you think you are nearing your lifetime maximum benefit and need to check on your balance or discuss transfer options, please contact Jan Rene at the USNH Benefit Office (refer to page 4 for contact information).

OptumRx is the prescription drug carrier for the USNH Medicare Complementary Plan. Questions regarding prescriptions or card orders should be directed to the OptumRX customer service at 1-866-633-5874. Please note, if a retiree and spouse are covered under the MCP, cards are currently issued in the retiree's name only with a shared ID number. Within the OptumRx system, a separate suffix is assigned per individual (01 for the retiree and 02 for the spouse). When a spouse is the only covered member on the MCP, the spouse will be the subscriber on the account and cards will be issued in the spouse's name. A new ID number may be issued when there is a change in the coverage tier (individual to two-person coverage or from two-person to individual coverage).

If You Have Met the \$30,000 Lifetime Maximum Benefit

You still have creditable coverage with USNH, but you may want to join a Medicare Prescription Drug plan. You should enroll during the annual enrollment period for Medicare Part D (October 15 through December 7). Since you are in a creditable plan, you will not be subject to the late entrant penalty/higher premium charge, but will need to provide a personalized letter of creditable coverage. You may also want to consider making a one-time transfer from your available Major Medical balance with EBPA to your prescription coverage. Contact Jan Rene at the USNH Benefits Office (refer to page 4 for contact information) if you need a personalized creditable coverage letter or wish to transfer funds.

If You Expect to Meet or Exceed the \$30,000 Lifetime Maximum Benefit in 2019

You still have creditable coverage with USNH, but you may want to join the Medicare Prescription Drug plan for January 1, 2019 so you will have continuing prescription coverage should your needs exceed the \$30,000 lifetime maximum benefit. If you wait until you reach your maximum lifetime benefit to join a Medicare prescription drug plan, you should enroll in a plan within 63 days of reaching your maximum lifetime benefit. If you decide to wait to enroll in a Medicare Part D plan, you may run the risk of not having continuous prescription coverage while your enrollment is being processed and may not be able to get your preferred plan choice.

If You Do Not Expect to Meet or Exceed the \$30,000 Lifetime Maximum Benefit in 2019

You have creditable coverage in the USNH Medicare Complementary Plan. You may join the Medicare prescription drug plan during any future enrollment period or, in most cases, within 63 days of reaching your lifetime limit for most plans

When Can You Join a Medicare Drug Plan?

If you are Medicare-eligible and need Medicare Prescription Drug coverage, you may enroll during the annual enrollment period. The enrollment period is held from October 15 through December 7 of any year and coverage begins on January 1 of the upcoming year. There are two exceptions:

1. When you first become eligible for Medicare (based on your 65th birthday or, if receiving Social Security Disability (SSDI), based on when SSDI began), you will be able to enroll in Medicare Prescription Drug coverage.
2. You also may enroll during the year if you lose creditable coverage, providing you enroll within 63 days of losing this coverage. Otherwise, you must wait until the next enrollment period and will be subject to late-entrant penalties/higher premium charges for as long as you are covered by the Medicare Prescription Drug plan.

Questions and Answers about Medicare Prescription Drug Coverage

What is Medicare prescription drug coverage?

On January 1, 2006, a prescription drug benefit was made available to everyone eligible for Medicare. This benefit is provided through private companies that are approved by Medicare to administer this benefit. To be approved, each company must offer coverage that is at least as good as the standard (minimum) Medicare Drug coverage.

The drug plans may vary in what prescription drugs are covered, how much you have to pay, and which pharmacies you can use. Some plans may offer enhanced prescription drug benefits at an additional monthly cost.

There also are special provisions for eligible retirees who have access to prescription drug coverage through their former employers (as do eligible retirees of USNH; see page 2).

The monthly premiums also vary from state to state. In 2019 the average basic premium for Medicare is Part D is expected to decrease for the second year in a row. The national average for Part D premiums is expected to fall from \$33.59 this year to \$32.50 next year.

What does standard Medicare prescription drug coverage provide?

Plans vary, but in 2019, under a standard coverage plan, you pay the first \$415 of your prescription drug costs – this is called your deductible. Once the deductible is met, you pay:

- 25% of your drug costs from \$415 to \$3,820 (or \$851.25);
- 100% of the next \$3820* in drug costs; then
- A small copayment on your covered drug costs for the rest of the calendar year after you have met the \$5,100 out-of-pocket limit (\$415 deductible + \$851.25 coinsurance + \$3,833.75 copayment = \$5,100).

* This is known as the Coverage Gap or “donut hole.” During this time there is a temporary limit on what the drug plan will cover for prescriptions until a certain dollar limit is spent. (Please see the explanation on page 4, under the Medicare Part D and the Affordable Care Act.)

What prescription drugs are covered under the plans?

Both generic and brand-name prescription drugs are covered by the Medicare Prescription Drug plans. Each plan, however, may have a different *formulary* (the list of drugs covered by the plan). Each formulary must meet Medicare’s requirements and must offer at least two drugs in every drug category.

If your doctor thinks you need a prescription drug not on your plan’s formulary, you can apply for an exception.

How do I find out if my prescription drugs are covered?

You should make a list of your current medications (name, dosage, frequency, and monthly costs). Then call the plans you are interested in, visit their websites, or visit www.medicare.gov to get the formulary, enter your list of medications, or compare the plans available to you in your state.

When can I join?

You can join a Medicare Part D prescription drug plan when you first become eligible for Medicare and each year from October 15th through December 7th for coverage that will take effect on the upcoming January 1st. If you should lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare Part D prescription drug plan.

Should you drop or lose your creditable prescription coverage and not enroll in a Medicare Part D prescription drug plan within the 63 days provided under the SEP after your current coverage ends, you may have to pay a higher premium penalty when you join a Medicare Part D prescription drug plan later during the annual enrollment period. Upon enrollment, your premium will increase by at least 1% per month for every month you delayed enrollment. This late-entrant penalty/higher premium charge will apply for as long as you have the Medicare Prescription Drug coverage. (This penalty should not apply to USNH retirees who have creditable coverage through a USNH medical plan so be sure to provide a personalized letter of creditable coverage when enrolling.)

Should I join?

That depends. See *Factors to Consider as You Choose Your 2019 Prescription Drug Coverage* on page 2.

Learn More about the Medicare Prescription Drug Plan

To learn more:

- Visit www.medicare.gov
- Call 1-800-MEDICARE (1-800-633-4227) – TTY users call 1-877-486-2048; or
- In NH, call the Servicelink Resource Center toll-free at 1-866-634-9412 or visit www.servicelink.nh.gov
- Outside NH, refer to your Medicare & You booklet for the State Health Insurance Assistance Program (SHIP) in your state.

When online or on the phone, you can request a copy of **Your Guide to Medicare Prescription Drug Coverage**, a booklet that describes the program in detail.

What's New?

Beginning in April 2018, Medicare started replacing Social Security-based Medicare numbers with a new identification number called a Medicare Beneficiary Identifier (MBI). This is being done to help fight identity theft and fraud. Medicare began mailing new cards in April 2018 with a scheduled completion date of April 2019. You do not have to do anything to get this new card; Medicare will automatically send it to you when ready. There is a transition period through December 2019 where either ID number will be accepted. Starting in 2020, only the MBI will be acceptable for claims submission. Please remember, Medicare will never call you for personal information regarding these new cards so do not fall victim to identity theft by giving out your personal information. You can help fight Medicare fraud by protecting your Medicare number and checking your Medicare statement for errors. Be sure to notify Jan Rene at USNH (refer to the contact information in the right-hand column of this page) when you receive your new Medicare number so it can be updated with the EBPA Medicare Crossover Program.

Medicare Part D and the Affordable Care Act

The Coverage Gap (donut hole) begins once you reach your Medicare Part D plan's initial coverage limit of \$3,820 in 2019 and ends when you spend a total of \$5,100 in 2019. Medicare beneficiaries who reach the Coverage Gap receive discounts on the total cost they have to pay for brand name and generic drugs purchased while in the donut hole. The discount paid by the brand name drug manufacturer, in addition to what you pay, will count towards getting out of the Coverage Gap, however, the additional percentage paid by the Medicare Part D plan will not count towards your "True Out-of-Pocket Costs" (TrOOP). Under the Affordable Care Act, also known as Health Care Reform, the amount you pay for prescriptions during the donut hole will decrease each year until the percentage you pay for both brand name and generic drugs while in the Coverage Gap reaches 25% in 2020.

Reminders:

Annual Election Period (AEP)

The election period for Medicare Part D begins on October 15 and ends on December 7 each year, with an effective date of coverage of January 1.

Medicare Crossover Program

The Medicare Crossover Program is offered to our MCP participants through EBPA. This program allows Medicare to send the explanation of benefits (EOB) directly to EBPA for processing which saves you and/or your provider from having to submit the claim for payment. If you have another insurance that is to pay secondary to Medicare, you will want to "opt out" of the Medicare Crossover Program. Please contact Jan Rene at the USNH Benefits Office (refer to the contact information in the right hand column of this page) if you need to opt out or change your Medicare number including the suffix.

Personal Information

Never give out personal information. If someone asks for your personal Medicare information over the phone, please do not provide it. Contact Medicare at 1-800-MEDICARE (1-800-633-4227) to report any of these types of calls or go to www.stopmedicarefraud.gov to learn more about efforts to fight fraud and scams.

Retiree Resources and Tools

USNH has established a Retiree webpage at www.usnh.edu/hr/retirees.html which includes links to USNH vendor information and resources. In addition, there are links to a number of other websites that may be of interest such as the Social Security Administration and Medicare. We hope that you will enjoy the convenience of accessing information 24 hours a day, 7 days a week. Some of the sites you can link to from this website are:

- Fidelity
- TIAA
- EBPA
- OptumRx
- Notice of Creditable Coverage
- Medicare Complementary Plan
- Social Security Administration
- Social Security Office Locator
- Medicare
- ServiceLink (for NH Residents)
- IRS
- AARP

For More Information

For more information about this notice or your current USNH prescription drug coverage, contact:

Jan Rene
USNH HR Representative
University System of New Hampshire
5 Chenell Drive, Suite 301
Concord, NH 03301
jan.rene@usnh.edu
603-862-0930

Note: This notice will be mailed each year on or before the start of the annual Medicare Part D enrollment period which begins on October 15th and will also be sent if coverage through this USNH plan should change. You may also request a copy of this notice at any time.

Change of Address, Phone Number, or Marital Status

Please notify us if your address or telephone number changes so we can ensure that you continue to receive notifications and explanations of any changes in your retiree benefit program as well as future issues of Staying Connected.

It is also important that we be notified if your marital status changes due to the death of your spouse, divorce, or remarriage if you are the surviving spouse of a retiree. In the event of a death, there is no change to the benefits of the surviving spouse, however, in the event of a divorce, the ex-spouse of a retiree is no longer eligible for coverage under our plan. The surviving spouse of a retiree also loses their eligibility for coverage in the event they remarry.

To update your information, please notify:

Jan Rene
USNH HR Representative
University System of New Hampshire
5 Chenell Drive, Suite 301
Concord, NH 03301
jan.rene@usnh.edu
603-862-0930

University System
of New Hampshire

This newsletter is intended to highlight certain features of the University System of New Hampshire's retiree benefit program and address specific questions you may have. Please refer to the Summary Plan Descriptions for each plan for a complete statement of your rights and obligations. Official plan documents govern plan provision and payment of plan benefits.
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